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April 10, 2008

To: Supervisor Yvonne B. Burke, Chair  
Supervisor Gloria Molina  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

From: William T Fujioka  
Chief Executive Officer

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## **REPORT TO THE BOARD ON METHODOLOGIES TO QUANTIFY BENEFITS AND ENSURE AB 32 COMPLIANCE AND STEPS TAKEN TO PERIODICALLY AND EASILY UPDATE OF ALL COUNTYWIDE ENERGY AND ENVIRONMENTAL POLICIES AND ACTION PLANS**

On October 23, 2007, the Departments of Regional Planning, Public Works, and Internal Services provided reports and a presentation to your Board on County activities that support implementation of Assembly Bill (AB) 32 - California's Global Warming Solutions Act of 2006. The following presentations were made:

- Los Angeles County Draft General Plan, Air Resources and Global Warming Section of the Conservation and Open Space Element,
- Green Building for the Unincorporated Areas of Los Angeles County,
- Presentation to the Board of Supervisors on Efforts to Improve Energy Efficiency and Combat Global Warming.

At that same meeting your Board instructed the Chief Executive Office (CEO) to report back by April 15, 2008 on the following:

- The methodology that will be used to initiate the calculation of the quantifiable savings and effectiveness of these policies and actions plans as they relate to satisfying the goals of AB 32; and

- What steps are in place, and being taken, to ensure that the ordinance and/or programs and accompanying green building guidelines and checklists are designed as "living documents" so they can be periodically and easily updated (as needed) to address changes in technology and available information.

This report describes the current status of AB 32 regulatory proceedings and especially the status of Greenhouse Gases (GHG) reporting procedures that are being used by other entities and local governments to voluntarily quantify their GHG responsibilities. The State is in the process of certifying reporting processes that will be used to calculate savings and effectiveness of the County's programs and action plans that mitigate climate change.

This report also discusses the reports currently being developed by the County in response to AB 32 and describes the policies, programs, projects, and activities that may be part of the County's future reporting (voluntary or mandatory) pursuant to AB 32 regulations.

Recommendations on how the County can ensure its policies and programs will be periodically updated and how the benefits of the climate change policies and programs will be quantified are also included in this report.

### **Introduction - AB 32 Overview**

California's Global Warming Solutions Act (AB 32), which your Board supported, was signed into law in 2006. It requires that production of GHG in California be reduced to 1990 levels by the year 2020; an estimated 30 percent total reduction. Most GHG are produced through the combustion of fossil fuels (e.g., natural gas, gasoline). County operations and programs will be affected significantly by the implementation of this landmark legislation which will be accomplished through S Leadership in Energy & Environmental Design Statewide rulemaking. AB 32 designates the California Air Resources Board (CARB) as the State's lead agency for developing and implementing the rules and regulations to enforce this legislation. Specifically, CARB will develop a general plan of action, known as a Scoping Plan, by the end of calendar year 2008.

The Scoping Plan will identify the main strategies to reduce GHG and will include a range of controls to implement the strategies including direct regulation, alternative compliance mechanisms, monetary and non-monetary incentives, voluntary actions, and market-based mechanisms. The Scoping Plan's strategies will address at least eight business and government sectors which impact GHG, including agriculture, electricity, forestry, land use and local initiatives, manufacturing, oil and gas, transportation, and waste management.

Prior to imposing any mandates or authorizing market mechanisms, CARB will evaluate impacts on California's economy, the environment, and public health. In addition, CARB will consider and assess implementation impacts related to equity between regulated entities, electricity reliability, conformance with other environmental laws, and disproportionate impacts to low-income communities. Significant milestone dates at CARB include:

- Establish a Statewide GHG emissions cap for 2020, based on 1990 emissions by January 1, 2008. *[Completed]*
- Identify and adopt mandatory reporting rules for significant GHG sources by January 1, 2008. *[Completed]*
- Adopt a Scoping Plan by January 1, 2009 indicating how emission reductions will be achieved from significant GHG sources through direct regulations, market mechanisms, and other actions.
- Adopt a list of discrete, early action measures by July 1, 2007 that can be implemented before January 1, 2010. *[Completed]*
- Adopt regulations by January 1, 2011 to achieve the maximum technologically feasible and cost-effective reductions in GHG, including provisions for using both market mechanisms and alternative compliance mechanisms.

Many details are still unknown regarding the County's responsibility to meet State reporting requirements and methodologies for reducing GHG and quantifying benefits. The questions listed below are of particular interest to the County as they relate to the Board's request on October 23, 2007. The answers to these questions are still being evaluated by the CARB and will undoubtedly be addressed by the CARB in the Scoping Plan.

- How will the State measure progress on GHG reductions;
- Who will have GHG reporting responsibility and what are the reporting requirements and formats/protocols;
- Will reporting be voluntary or mandatory for local governments;
- Will reporting protocols for local governments be different than other industries (e.g., utilities, landfills, refineries);

- Will local governments be responsible for reporting GHG reductions for their internal operations; for other non-government GHG producing sectors within their jurisdiction or the entire region (community-wide) or both;
- Will there be reporting protocols to quantify savings and benefits of local government policies and programs;
- What will be the role of local government in the development, implementation, and enforcement of GHG regulations?

On February 26, 2007, the CEO and ISD submitted a memorandum to the Board describing AB 32 and upcoming regulatory activities to implement and enforce its requirements. In that memorandum an internal action plan was laid out as follows:

"The County Energy & Environmental Team, created as a result of your Board's approval of the County's Energy & Environmental Policy on January 16, 2007, will coordinate the resources of the Internal Services Department (ISD), the Regional Planning Department, the Department of Public Works, County Counsel, and other involved departments to track the Statewide rulemaking proceedings; assess potential impacts to the County; and intervene when necessary on behalf of the County. ISD and the Chief Administrative Office (CAO) will monitor Federal legislation that may impact the State's implementation of AB 32. The CAO and Regional Planning will coordinate County AB 32 activities with the South Coast Air Quality Management District. Also, the CAO and ISD will coordinate with the California State Association of Counties, the Urban Counties Caucus, and other local governments, public agencies and mutual interest entities participating in these proceedings in an effort to maximize resources, present a unified position and keep other local governments and public agencies informed of the important issues."

In light of the new County governance structure, the action plan described above should be modified to indicate the CEO as the lead organization in coordinating the activities of multiple departments, especially related to tracking and monitoring AB 32 activities. Attachment I, County Energy and Environmental Activities, provides an illustration of how these activities may be categorized and managed. The activities involve internal County programs and external programs. All of these programs are managed by a variety of organizations; the County Energy & Environmental Team, ISD, Regional Planning, Public Works, and organizations within the CEO. This recommendation, other recommendations and a report on ongoing activities which respond to the Board's requests, are described below.

### **Recommendations and Action Items**

Recommendations on how the County can quantify the benefits of its climate change policies and programs and how the County can ensure its policies and programs can be periodically updated are summarized below:

- The CEO shall assemble a multi-departmental sustainability organization (Sustainability Team) tasked with managing all of the County's energy and environmental activities (internal and Countywide) especially as they relate to reporting, quantifying, and providing status on AB 32 or other climate change program compliance, regulatory reporting, and internal and external communications. This Team differs from the Energy and Environmental Policy Team in that the Policy Team develops and implements programs only within County operations. The CEO shall designate an individual department with the authority to direct the activities of the Sustainability Team.
- The CEO shall generate a single report describing the status of all ongoing County policies, programs, projects and activities that support AB 32 and mitigate climate change. The CEO shall send this report to the Board every six months and it will replace or consolidate all other individual reports requested by the Board (on a regular basis) that provide similar status or updates.
- To provide general descriptions, new information, updates, and additional details in a more timely manner, the CEO has requested ISD to develop, in consultation with other County departments, a website for all County energy and environmental policies, programs, projects and activities. The website will contain varying levels of information and details about these programs both for public information and for County-only viewing. The website will provide general descriptions, status and updates and will provide further information through links to documents and other department websites. The website will also include a "digital dashboard" which will show progress towards individual program or policy goals. ISD is developing this website and will produce an initial version by the end of this fiscal year.
- As stated earlier, formal proceedings are underway at various State regulatory agencies under CARB's leadership, to develop specific regulations to implement and enforce AB 32. The CEO will meet with all departments affected by AB 32 regulations and determine the necessary resources available to participate in the various workshops, conferences, review committees, and hearings. An initial report describing the various proceedings, the status of ongoing work and schedule of known activities is included as Attachment II.

- New climate change legislation is being proposed at both the Federal and State levels. The CEO's Office of Intergovernmental Relations (IGR) has and will continue to provide regular updates on new legislation that potentially impacts on AB 32 proceedings and County policies and programs. The CEO-led Sustainability Team will work with IGR to evaluate whether County advocacy is required. In addition, legislative policy (in conjunction with the Cool Counties Policy) to guide County advocacy will be developed on proposed climate change legislation.
- ISD should continue to use the California Climate Action Registry's Protocol for reporting its GHG consumption as a result of its internal operations; CARB accepts this protocol for voluntary reporting. ISD's Energy Management Division submitted a report to the Registry using their protocol for the County's 2006 internal operations.
- ISD will contract with the International Council for Local Environmental Initiatives (ICLEI) to utilize its existing protocols for community-wide GHG reporting and for quantifying the benefits of individual policies and programs. ICLEI assists many local governments for this purpose. ICLEI is also part of a CARB Committee tasked with developing reporting protocols specifically for local governments. This task can be managed and paid for by ISD's Energy Management Division.

**Past Reports Describing Existing County Policies, Programs, Projects, and Activities**

This section describes the various reports which have been generated by departments to regularly update your Board on the status of County programs and policies. These reports are not easily modified or updated to reflect changes in technology or information, i.e., designed as "living documents." For example, as Leadership in Energy and Environmental Design (LEED) Certification standards are modified in response to industry needs, the results and implementation of the County's green building ordinance and LEED program (for County facilities) may be changed, but the formal report describing the program changes will not be immediately documented. To meet the Board's requests, the recommendations above are needed in addition to periodic updates of these reports.

The County's ongoing activities which support climate change mitigation and future GHG reporting were described in a report presented to your Board on October 23, 2007 titled: Report on the Impact of the State Action Against San Bernardino County Regarding It's General Plan Update and The County's Efforts to Combat Global Warming and Improve Energy Efficiency. The report included attachments describing the following programs and which were presented to the Board that day:

- Los Angeles County Draft General Plan, Air Resources and Global Warming Section of the Conservation and Open Space Element (prepared by Regional Planning)
- Green Building for the Unincorporated Areas of Los Angeles County (prepared by Regional Planning and Public Works)
- Presentation to the Board of Supervisors on Efforts to Improve Energy Efficiency and Combat Global Warming (prepared by ISD)

Additionally, activities of the County's Energy & Environmental Policy Team (Team) have been reported to your Board (by ISD) every six months since the Team was created as part of the Energy & Environmental Policy. Reports were sent on August 1, 2007 and March 7, 2008.

The combination of all of these reports and other update reports sent to your Board by the CEO and collaborating departments describe energy and environmental activities that generally fall into these categories:

- Energy & Environmental Policy Team - manages activities to enhance County internal operations;
- County Capital Program Policy – implements the requirement for LEED Certification for County buildings and other sustainable capital projects;
- Green Buildings – includes development and implementation of the Unincorporated Areawide Green Building Ordinance which also includes Low Impact Design and Drought Tolerant Landscaping Standards, and may include other, new "green building" programs;
- Climate Change Legislative/Regulatory Activities – includes activities to track and participate in AB 32 regulatory proceedings and other climate change legislation;
- County Environmental Stewardship Programs – develops and implement other ongoing environmental programs Countywide (e.g., plastic bag and Styrofoam food container bans) or within County departments (e.g., enhanced paper and beverage container recycling; recycled content purchasing).

Attachment I, the County Energy and Environmental Activities matrix, illustrates in more detail the scope of ongoing work in each of these categories. This attachment also indicates the types of reporting the County may likely undertake to: explain what the County is doing to combat climate change, submit voluntary or mandatory reports per AB 32, quantify policy and program benefits, update these programs and policies to reflect changes, new goals and new information.

### **Consolidated Energy and Environmental Activities Report**

As noted in the "Recommendations and Action Items" section of this report, the CEO will be issuing a consolidated Energy and Environmental Activities report to the Board every six months; this report will provide status and updates on all County programs and policies that address climate change, as well as identify and describe changes in legislation, regulations, industry issues, technology, and other areas that necessitate updating various County documents, programs, and related activities.

### **Description of Proposed Energy and Environmental Website**

As also noted in the "Recommendations and Action Items", the CEO has requested ISD to develop a website that may provide easy access to all information on County policies, programs, projects, and activities that address climate change. The website will contain descriptions, status and "real-time" updates. The website is envisioned to be used by the public, as well as County employees, Board offices, other local governments, regulatory agencies, and others. Specific website features will include:

- Description of the County's climate change goals, strategies, policies, and programs;
- Description of all County policies, programs, projects, and activities for both internal operations and Countywide;
- Updates and status on ongoing efforts for all policies, programs, projects, and activities;
- High level communications to the public and other interested entities;
- Detailed information through web links to actual policies and program documents, departmental program websites, and other industry/agency websites

The website will also include a "digital dashboard" which will provide status and progress (quantitative or qualitative) on the County's climate change policies, programs, projects, and activities. Examples of status and progress reporting could include:

- Progress towards the County's energy consumption reduction goal (20 percent by 2015);
- Progress towards implementing recycling programs in all County facilities;
- Cool Counties performance or performance against other climate change benchmarks;
- GHG report results and progress towards the State's goal for GHG reduction (internal operations and Countywide);
- Purchases of green products and services;
- County buildings achieving LEED or other certification (new and existing).

The "digital dashboard" will utilize existing departmental databases and information from other sources to provide regular updates. Some updates can be provided immediately under automated processes. Updated information can be portrayed in the form of graphics, tables or other descriptive information.

#### **Existing Reporting Protocols for GHG Responsibility and Benefits Quantification**

Protocols for satisfying AB 32 reporting requirements are still under review at CARB. Presently no mandatory GHG reporting is required for any entity in the State. Some entities are currently participating in active carbon trading markets and are using reporting protocols that are certified and accepted for use in those markets. For now, all current GHG reporting is on a voluntary basis. The range of possible GHG reporting for the County, under AB 32 regulation, is as follows:

- Voluntary reporting for County internal operations,
- Mandatory reporting for County internal operations,
- Voluntary reporting for Countywide GHG responsibility (unincorporated areas only),
- Voluntary reporting for Countywide GHG responsibility (unincorporated areas plus cities),

- Mandatory reporting for Countywide GHG responsibility (unincorporated area or unincorporated areas plus cities).

The most widely used GHG reporting protocol in the State is established by the California Climate Action Registry (Registry). The Registry is a private, non-profit organization originally formed by the State. The Registry serves as a voluntary GHG reporting organization that promotes early actions to reduce GHG emissions by organizations. The Registry provides leadership on climate change by developing and promoting credible, accurate, and consistent GHG reporting protocols for organizations to measure, monitor, verify, and reduce their GHG emissions consistently across industry sectors and geographical borders. Registry members are well prepared to participate in market based solutions and upcoming regulatory requirements.

The CARB has stated that they will accept Registry certified GHG report results for entities that joined the Registry before calendar year 2007 as a formal report for quantifying past and current GHG responsibility. The County joined for this purpose and has submitted a report for 2006 operations. Characteristics of the Registry's reporting protocols are described below:

- The Registry's protocol only quantifies GHG for an entity's internal operations (i.e., not community-wide);
- There is no protocol for quantifying or reporting the GHG mitigation benefits of programs (i.e., energy efficiency projects, green building programs, green purchases);
- Certified registry reports for members who joined before calendar year 2007 will be accepted by CARB under possible future, mandatory reporting;
- The Registry's protocols are accepted by active carbon trading markets.

The ICLEI is an international association of local governments and national and regional local government organizations that have made a commitment to sustainable development. More than 700 cities, towns, counties, and other international governments comprise ICLEI's membership. ICLEI provides technical consulting, training, and information services to build capacity, share knowledge, and support local government in the implementation of sustainable development at the local level. Characteristics of ICLEI's reporting protocols are described below:

Each Supervisor  
April 10, 2008  
Page 11

- o There is a reporting protocol for community (Countywide) reporting, cities and counties have used ICLEI for preliminary calculations or voluntary reporting for their region;
- o There are reporting protocols for projects, programs and activities which may be used to show specific reductions in GHG responsibility;
- o The protocols are not used for required reporting or emissions market trading.

### **Summary**

This report has described the many ongoing activities underway within the County to combat climate change both within internal County operations and Countywide. A key recommendation is that the CEO must lead a team of department representatives to manage all of these ongoing activities and in support of the new County governance structure. The CEO will then consolidate all reports and updates into a single report to the Board. To expedite providing current information to all interested parties, a County Energy & Environmental website will be developed to describe updated information and changes in a more timely manner. Finally, the CEO-led Team will monitor and participate in ongoing State and Federal legislative and regulatory venues to keep current on all issues that may impact County policies and programs.

If you have any questions, please contact me or Lari Sheehan at (213) 893-2477, or via e-mail at [lsheehan@ceo.lacounty.gov](mailto:lsheehan@ceo.lacounty.gov).

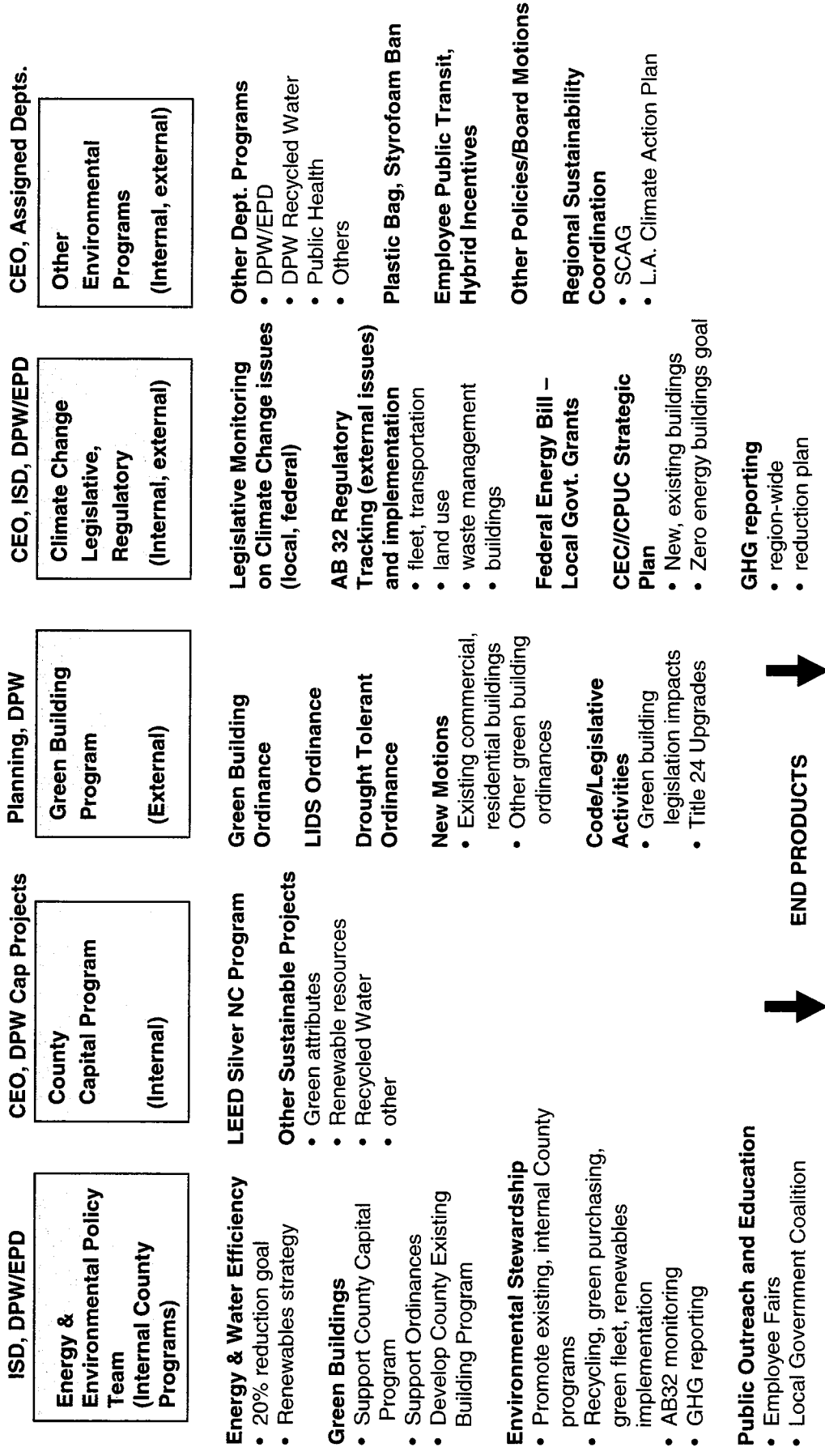
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### **Attachments (2)**

c: Executive Office, Board of Supervisors  
County Counsel  
All Department Heads

# ATTACHMENT 1

## County Energy & Environmental Activities



Regular reports and updates to the Board, other agencies, public  
 County General Plan: updates, revisions, Attorney General actions  
 Climate Change/AB 32 Reporting: voluntary, mandatory, internal operations, region-wide  
 Performance Monitoring and Measurement (Cool Counties, Institute of Local Govts.)  
 County Role in Regional Sustainability Plan  
 Emissions Market activities

## **STATE REGULATORY ACTIONS IMPACTING THE COUNTY OF LOS ANGELES**

This section of the report discusses the current status of the various state agency regulatory actions ongoing to implement and enforce AB 32. The areas of greatest interest to the County and other local governments are discussed first. A description of each regulatory agency's proceedings and activities follows next.

### **Local Government Interests**

#### **1. Scoping Plan**

The California Air Resources Board (CARB) is required to develop a Scoping Plan by January of 2009 to achieve maximum technologically feasible and cost-effective GHG reductions by 2020.

CARB has held three workshops; the fourth is scheduled for April 17, 2008. A draft Scoping Plan should be released in the summer of 2008 and CARB is scheduled to adopt the Scoping Plan at its November 2008 Board meeting. The County will have an opportunity to review the draft Scoping Plan, provide comments, and participate in potential hearings to discuss public comments.

#### **2. Local Government Reporting Protocols**

A public workshop was held by CARB on March 11, 2008 to address government-specific reporting protocols. CARB identified the following government activities/sectors for potential development of specific reporting protocols:

- buildings and facilities
- electricity or central plant heating/cooling production
- vehicle fleets
- street lighting and traffic signals
- water and wastewater treatment, collection and distribution
- waste management
- employee commuting

The protocols are intended to assist local governments in identifying GHG sources and in planning programs for GHG reductions. While the current process contemplates voluntary reporting, CARB indicate the issue of voluntary vs. mandatory reporting would be addressed in the Scoping Plan.

Also, CARB indicated there were no plans to develop a protocol for quantifying GHG savings and benefits from specific local government policies or programs. The desire and need for such a protocol will also be addressed in the Scoping Plan.

A local government workgroup has been established by CARB and a schedule proposed to adopt these protocols. The workgroup has until April 30, 2008 to develop the protocols. A public comment period to collect input on the draft protocols will be held during May, 2008. The second draft of protocols will be available for comment in June, 2008 and the final protocols are to be completed in August 2008. ISD's Energy Management Division will participate in the protocol review group, will provide documents for comment within the County, and will participate in public hearings as necessary.

### **3. Land Use Subgroup of the Climate Action Team (LUSCAT)**

The LUSCAT subgroup hosted three workshops on land use, transportation and other related local government measures under consideration for possible inclusion into land use strategies of the Scoping Plan. The Los Angeles workshop was held on March 20, 2008 and was attended by ISD's AB 32 consultant. Drafts of the Scoping Plan will be reviewed by Regional Planning, Public Works and other appropriate County departments and agencies. Written comments and public testimony may be provided per the Scoping Plan in accordance with the Scoping Plan schedule.

### **4. Landfill Emissions**

CARB conducted workshops on landfill emissions and methane collection and control systems. Potential policy options were also discussed which included limiting the scope of regulations for landfills based on size or amount of emissions. A final workshop was held March 24, 2008. A draft report will be published in September of 2008 and will be reviewed by the Departments of Public Health and Public Works. CARB expects to adopt the regulations in November of 2008 with effective date in the fall of 2009.

### **5. Vehicle Fleets**

Emissions from vehicle fleets are being considered within the CARB group considering land use, transportation and related local issues. Reporting protocols relating to local government fleets are being considered by the local government workgroup described in Section 2 above; the government fleet protocols will be adopted according to the schedule outline for the local government workgroup.

### **California Air Resources Board Proceedings**

In addition to overall coordination of the various State agencies tasked with implementing programs under AB 32, CARB is specifically responsible for certain programs themselves. CARB's regulatory responsibilities and current activities are described below.

## 1. "Discrete Early Action Measures"

The "Discrete Early Action Measures" that have been identified for regulation and enforcement are:

- A low-carbon fuel standard to reduce carbon intensity in the state's fuels;
- Restricting the sale of "do-it-yourself" automotive refrigerants;
- Requiring broader use of state-of-the-art methane capture technologies in landfills;
- Electrifying the ports and requiring docked ships to use electricity instead of auxiliary, shipboard engines for power;
- Requiring existing trucks and trailers to be retrofitted with devices that reduce aerodynamic drag and rolling resistance;
- Requiring proper tire inflation as part of overall automobile service;
- Banning the use of sulfur hexafluoride in non-electric sectors;
- Implementing standards to reduce global warming potential in consumer products;
- Reducing perfluorocarbons in the semiconductor industry.

CARB will propose and adopt the "Discrete Early Action Measures" regulations over the next 12-18 months; enforcement will begin in January 2010.

CARB has also identified 35 "Early Action Measures" that will be developed into regulatory proposals for adoption by their board over the next five years. Full descriptions of the "Discrete" and "Early" action measures are available in a 205 page CARB report which can be found at:

<http://www.arb.ca.gov/cc/ccea/reports/reports.htm>

## 2. GHG Reporting Requirements

CARB adopted regulations in December of 2007 that will require annual reporting of GHG emissions for the following types of facilities:

- Utilities (electricity, natural gas);

## **ATTACHMENT II AB 32 STATUS REPORT**

- Cogeneration plants greater than 1 MW (this will include the County's Pitchess and Civic Center cogeneration plants);
- "Large stationary combustion sources" (may possibly include hospital and jail plants - this is being determined);
- Refineries and cement plants.

The report detailing the findings and justification for required GHG reporting can be found at:

<http://www.arb.ca.gov/cc/reporting/ghg-rep/ghg-rep.htm>

### **3. Mobile Sources**

In September 2005, CARB adopted regulations to control GHG emissions from motor vehicles. The regulations are not effective, however, because the U.S. EPA denied CARB's request for a waiver of preemption under the federal Clean Air Act. Official notice of the EPA's denial was published in the Federal Register on March 6, 2008. (73 Fed. Reg. 12156 (2008))

### **4. 1990 Emissions Inventory**

CARB approved a statewide 1990 GHG emissions inventory level in December 2007 which will be the State's 2020 GHG emissions limit under AB 32. The 1990 inventory estimates 427 million metric tons of annual gross GHG for the State, with transportation responsible for 35 percent, electric power production responsible for 25 percent and industrial responsible for 24 percent. Residential, agriculture and commercial uses are responsible for 7 percent, 5 percent and 3 percent respectively. However, these 1990 emissions levels do not necessarily represent the 2020 reduction targets for individual sectors (e.g., transportation, electricity) or facilities (e.g., refineries).

The report documenting the methodology and quantification of the 1990 emissions inventory can be found at:

<http://www.arb.ca.gov/cc/inventory/inventory.htm>

### **5. Cap and Trade (Emissions Market)**

CARB received a report in July 2007 from its Market Advisory Committee on the design of a cap-and-trade system to reduce GHG in the State. A cap-and-trade system provides for the allocation and auction or trade of emissions reductions ("offsets") in a market environment. The amounts of available "offsets" are "capped" each year. The recommendations from the Market Advisory Committee included:

- The program should eventually include all major GHG producing sectors;
- “Offsets” of GHG emissions should be allowed if they can be proven to be real, additional, independently verifiable, permanent, enforceable, and transparent; “offsets” would not be limited to California;
- California should encourage linkages with other state and regional GHG markets.

CARB's Scoping Plan will determine a final “cap-and-trade” or other emissions market system as part of complying with AB32.

### **California Public Utilities Commission's Proceedings**

The California Public Utility Commission (CPUC) is primarily addressing issues related to energy production including out-of-state power producers, in-state power producers, in-state utilities, and electricity and natural gas marketers. These issues are not key County interests except to the extent that the County becomes a producer of power for retail sale or delivery to end-use customers or for sale into wholesale markets.

Of interest to the County is the CPUC's adoption of a strategy to implement greater energy efficiency savings in the construction of new buildings in the State. In October 2007, the CPUC adopted two initiatives aimed at substantially reducing energy consumption in new construction. These initiatives would require energy consumption reduction in buildings that far exceed current LEED standards.

First, the CPUC adopted a “zero net energy” standard for new residential construction by 2020. “Zero-net-energy” assumes a building can achieve 100 percent of its energy needs from renewable or self-generation resources. Interim goals were adopted for this strategy: 50 percent of new homes shall achieve energy savings that meet Tier II standards of the California Energy Commission's (CEC) New Solar Homes Program by 2011. The Tier II Energy Efficiency Requirements are 35 percent energy savings above Title 24 (2005). Title 24 is the California Code of Regulations standard governing building standards. Section 6 governs energy efficiency standards for buildings and specifies energy performance levels for building materials, equipment and appliances.

Second, the CPUC adopted a “zero-net-energy” usage standard for all new commercial construction by 2030 which includes interim milestones:

- By 2011, 30 percent of newly constructed buildings would exceed Title 24 (2005) by 30 percent;
- By 2015, 50 percent of newly constructed buildings would exceed Title 24 by 30 percent;

## **ATTACHMENT II AB 32 STATUS REPORT**

- By 2020, 20 percent of newly constructed buildings would demand "zero-net-energy;"
- By 2030, 100 percent of newly constructed buildings would demand "zero-net-energy."

The CPUC recognized that it has no jurisdiction over affected stakeholders. However, the decision ordered the utilities and the CPUC to work with stakeholders including the CEC, local government planning and building officials, the building industry, and labor on the development and implementation of this building energy standards strategy.

The CEC's 2007 Integrated Energy Policy Report adopts the CPUC's recommendations to require "zero-net-energy" performance in residential building by 2020 and in commercial buildings by 2030.

The proposed standards will most likely impact the County's own new facilities construction activities and will also require amendment of the County's building and development standards. Additionally, the Attorney General may take further action based upon the CEC's action to demand that cities and counties include these proposed standards in general plan updates as a means of reducing GHG emission.

### **California Energy Commission Proceedings**

The California Energy Commission (CEC) released a staff report titled "The Role of Land Use in Meeting California's Energy and Climate Change Goals" in June 2007. It can be found at:

<http://www.energy.ca.gov/2007publications/CEC-600-2007-008/CEC-600-2007-008-SD.PDF>.

The report focuses on the linkages between land use planning and transportation as transportation accounts for 41 percent of the State's GHG emissions. The report also notes that land use planning approaches have varying influences on vehicle miles traveled (VMT), use of public transportation, walking, etc. The report states that California's urban planning has resulted in "excessive use of land per household, location away from transit and jobs, preferences for less dense housing, and site designs that required driving rather than walking."

The report expresses that a regional approach is needed in land use planning decisions. The report also predicts that the State will not meet its AB 32 goals unless VMT is reduced. The CEC held a workshop in June 2007 that provided a forum for discussion of its draft report. . The CEC plans on formulation policy recommendations for the Governor, the Legislature, other State agencies and utilities regarding land use policy changes that are necessary to meet AB 32 goals.

### **Attorney General's Legal Efforts to Reduce GHG Emissions**

Attorney General (AG) Brown is very active in using the CEQA process to push for GHG reductions in new developments and projects. The AG has used two main tactics to force a reduction in GHG emissions: 1) submitting comment letters on the environmental impacts of large projects; and 2) filing lawsuits (or threatening to file lawsuits) against large projects on the grounds that GHG emissions were not properly addressed or mitigated.

The AG sued San Bernardino County to block its adoption of its General Plan. San Bernardino settled the lawsuit by agreeing to measures meant to reduce GHG emissions from the county's land use decisions.

The AG filed an appeal with the Contra Costa Board of Supervisors of a decision by the local Planning Commission to approve the proposed expansion of a Conoco Philips oil refinery. The AG alleged that the EIR failed to adequately address and mitigate the GHG emissions and climate change impacts of the projects. Conoco Philips settled with the AG by agreeing to reduce GHG emissions, implement energy efficiency measures, and providing \$7 million to the Bay Area Air Quality Management District carbon offset fund used for GHG-mitigation projects.

The AG is hosting a series of workshops throughout the State to address questions regarding how to analyze the GHG impacts of development, the mitigation strategies that should be employed, and how to undertake required analysis. The Los Angeles workshop is scheduled for May 15, 2008; County staff will be attending.

### **Integrated Waste Management Board (IWMB)**

The IWMB is jointly developing with CARB a regulatory measure that will require landfill gas recovery systems on the few small to medium landfills that do not have such systems, and upgrade the requirements at landfills with existing systems. The regulation will be implemented by CARB.

The IWMB is pursuing several additional programs that would reduce GHG emissions including reviewing efforts to transition toward zero waste facilities through high level recycling and waste prevention. These strategies have been projected to provide significant GHG reductions by 2020. The IWMB is also providing funding for demonstration grants for Landfill Gas to Energy and Liquefied Natural Gas/Biofuels projects.

**Department of Water Resources (DWR)**

The DWR has been the least active of the State's lead agencies and has not instituted any rulemaking proceedings. Along with the State Water Resources Control Board, DWR held a public information meeting on Climate Change and Water Resources in August 2007. The DWR has published the following goals:

- Develop state/federal coordination with other agencies to coordinate strategies and development of internal programs (DWR and Reclamation) and external (CEC);
- Build coalitions with experts in climate change;
- Support state mandates;
- Assess impacts to the state's water resources under a range of climate change scenarios.